

**IOWA FINANCE AUTHORITY  
BOARD MEETING MINUTES**

**Iowa Hospital Association Education Center  
100 E. Grand Avenue, First Floor  
Des Moines, Iowa**

**February 8, 2006**

**BOARD MEMBERS PRESENT**

Kay Anderson, Vice Chair  
Carmela Brown, Treasurer  
Steve Adams (Via Telephone)  
Virginia Bordwell

Roger Caudron  
Heather Kramer  
Douglas Walter  
Dick Wright

**STAFF MEMBERS PRESENT**

Bret Mills, Executive Director  
Laura Abbott, Housing/Grants Specialist  
Lori Beary, Community Development Director  
Mickey Carlson, Single Family Program Manager  
Donna Davis, Deputy Director/Director of  
Affordable Housing Programs  
Dennis Dietz, Director of Policy and  
Governmental Affairs  
Alyson Fleming, Administrative Assistant  
Steve Harvey, Director of Operations

Craig Johnson, Financial Analyst  
Shawna Lode, Communications Director  
Sharon Murphy, Housing/Grants Specialist  
Lloyd Ogle, Title Guaranty Division Director  
Carla Pope, Service Enriched Housing Director  
Lyle Schwery, Homeless Coordinator  
Callie Sheil, Secretary  
James Smith, Deputy Director/CFO  
Mark Thompson, General Counsel  
Nancy Wallis, Administrative Assistant

**OTHERS PRESENT**

Kristi Boyce – Wells Fargo Bank Iowa, NA  
Bob Burns – Burns & Burns, L.C.  
Jim Cain – Iowa Coalition for Housing and  
Homelessness  
Jim Conlin – Conlin Properties  
Darla Giese – Dorsey & Whitney Law Firm  
John Gronen – Four Mounds Foundation  
David Harris – City of Dubuque  
Scott Krchak – MidAmerica Housing Partnership  
(MAHP)

Jina Lilly – Treasurer of State Office  
Joe O'Hern – Fannie Mae  
Chris Olson – Four Mounds Foundation  
Bruce Ray – Dept. of Housing & Urban Development  
(HUD)  
Bill Reinke – HOUSES, Inc.  
Henry Royer - MAHP  
Terry Vestal – Dept. of Economic Development (IDED)  
Doug Wagner - MAHP  
Minniette Williams – Wells Fargo Bank Iowa, NA

**CALL TO ORDER**

Vice Chair Anderson called to order the February 8, 2006, regular meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:10 a.m. Roll call was taken and a quorum was established with the following members present: Anderson, Brown, Adams, Bordwell, Caudron, Kramer, Walter, and Wright.

**REVIEW AND APPROVAL OF MINUTES**

**January 11, 2006**

Vice Chair Anderson introduced the minutes of the January 11, 2006, regular meeting of the IFA Board of Directors.

**MOTION:** On a motion by Ms. Brown and a second by Mr. Walter, the Board unanimously approved the minutes of the January 11, 2006, meeting.

### **ADMINISTRATION/MANAGEMENT REPORT**

Mr. Bret Mills informed the Board that during calendar years 2001 through 2005, IFA has placed over \$3 billion in Iowa communities through the *FirstHome*, *FirstHome Plus*, Economic Development Loans and tax credit programs.

Mr. Mills also stated that the main topic for marketing this spring will be the 3 percent interest rate for the State Revolving Fund (SRF) loans. Loans more than 10 years old will be restructured to reduce their interest rate to 3 percent. IFA plans to show how much money these communities are saving.

### **LEGAL / REGULATORY**

#### **Resolution Re: 2007 State Housing Trust Fund Allocation Plan**

Ms. Donna Davis introduced the allocation plan and noted that the Board already approved the same plan on July 6, 2005. She said there were no changes other than substituting the calendar year 2006 with fiscal year 2007. They anticipate accepting applications in April and reviewing them in May and June. At the end of June they plan to bring their recommendations to the Board. Ms. Davis anticipates that the Board will be presented with the final rules at the June meeting, making the rules effective in July.

#### **MOTION:**

On a motion by Mr. Adams and a second by Mr. Wright, the Board unanimously approved the 2007 State Housing Trust Fund Allocation Plan.

#### **Administrative Rules Amendment, Ch.9 "Title Guaranty Division" Adopted and Filed (Emergency after Notice)**

Mr. Mark Thompson mentioned that the intention with the chapter 9 rules was that they be adopted Emergency after Notice and that they will be filed and effective by Friday, February 10, 2006, at 4:30 p.m.

Mr. Loyd Ogle responded that the rules should be implemented before March 1, 2006, in order to offer a non-purchase product. He briefly explained that the normal effective date for rule-making is 30 days after publication, but now they will be effective the day they are published. Mr. Ogle also stated that changes have been made to the new search criteria. The search will go back to the last sale, or at least 10 years prior, rather than searching the last two warranty deeds.

#### **MOTION:**

On a motion by Ms. Brown and a second by Ms. Kramer, the Board unanimously approved the Administrative Rules Amendment, Ch.9 "Title Guaranty Division" Adopted and Filed (Emergency after Notice).

Mr. Thompson gave a brief update on the Central States Development case.

### **FINANCE AND ACCOUNTING**

#### **Finance Update**

Mr. Steve Harvey referred to the financial statement that was included in the Board packet. He mentioned that IFA is on budget and IFA's investment rate is half a percentage point higher than planned.

#### **Approval of Financial Statement**

**MOTION:** On a motion by Mr. Adams and a second by Mr. Caudron, the Board unanimously approved the December 2006 financial statement.

## **ECONOMIC DEVELOPMENT LOAN PROGRAM**

### **ED Loan #06-02A, MMS Thermal Processing, LLC Project**

Ms. Beary introduced the application for \$6,000,000 of Iowa Finance Authority Industrial Development Revenue Bonds for MMS Thermal Processing, LLC Project in Eldridge, Scott County. The bonds will be used for the construction of a facility to process metal through vacuum carburization. This project will require Private Activity Bond Cap.

#### **MOTION:**

On a motion by Mr. Walter and a second by Mr. Caudron, the Board unanimously approved resolution #06-02A, MMS Thermal Processing, LLC Project.

### **Public Hearing for Holy Family Catholic Schools, Wahlert High School Project**

Vice Chair Anderson opened the public hearing at 11:29 a.m. regarding the issuance of an amount not to exceed \$12,500,000 of Iowa Finance Authority Educational Facility Revenue Bonds for Holy Family Catholic Schools Project in Dubuque. The bonds will be used for an addition to Wahlert High School to accommodate a middle school and the renovation of the existing facility. This project will not require Private Activity Bond Cap. The inducement resolution was adopted at the October 5, 2005, Board meeting. There being no verbal or written comments from the audience, Vice Chair Anderson closed the public hearing at 11:31 a.m.

### **ED Loan #05-21B, Holy Family Catholic Schools, Wahlert High School Project**

Ms. Beary introduced the resolution for \$12,500,000 of Iowa Finance Authority Educational Facility Revenue Bonds for Holy Family Catholic Schools, Wahlert High School Project in Dubuque

#### **MOTION:**

On a motion by Mr. Wright and a second by Ms. Bordwell, the Board unanimously approved resolution #05-21B, Holy Family Catholic Schools, Wahlert High School Project.

### **Public Hearing for Unity Healthcare Project in Muscatine**

Vice Chair Anderson opened the public hearing at 11:32 a.m. regarding the issuance of an amount not to exceed \$16,000,000 of Iowa Finance Authority Healthcare Facility Revenue Bonds for Unity Healthcare Project in Muscatine. The bonds will be used for the rehabilitation of the main hospital building as well as other improvements on the site. This project will not require Private Activity Bond Cap. The inducement resolution was adopted at the December 7, 2005, Board meeting. There being no verbal or written comments, Vice Chair Anderson closed the public hearing at 11:34 a.m.

### **ED Loan #05-25B, Unity Healthcare Project in Muscatine**

Ms. Beary introduced the resolution for \$16,000,000 of Iowa Finance Authority Healthcare Facility Revenue Bonds for Unity Healthcare in Muscatine.

#### **MOTION:**

On a motion by Mr. Walter and a second by Ms. Bordwell, the Board unanimously approved resolution #05-25B, Unity Healthcare Project in Muscatine.

### **State Revolving Fund Program**

Ms. Beary introduced a resolution to approve Planning and Design loans for the cities of Humboldt and Mapleton and for Lenox Municipal Utility. These loans are zero percent interest for up to three years. The funds are used for the planning and design phases of wastewater and drinking water infrastructure projects. The total for the three projects is \$411,300. With the adoption of this resolution, IFA has approved Planning and Design loans totaling \$3,702,745 for 27 projects.

**MOTION:**

Mr. Caudron made a motion to approve the Planning and Design loans for the cities of Humboldt and Mapleton and for Lenox Municipal Utility. On a second by Ms. Bordwell, the Board unanimously approved the resolution for Planning and Design loans.

**HOUSING PROGRAMS**

Mr. Mills introduced Mr. John Gronen and Ms. Chris Olson of the Four Mounds Foundation and Mr. David Harris of the City of Dubuque. A brief presentation was given regarding the Four Mounds Foundation and its HEART Partnership program projects.

**Resolution Re: 2006 Purchase Price and Income Limits**

Mr. James Smith introduced the resolution for the 2006 single-family purchase price and income limits. This resolution is similar to the one brought to the Board a year ago. The IRS issued a revenue procedure in 2004 that made it easier to update purchase price limits annually for *FirstHome*. The calculations are the income limits based on FHA mortgage limits and should be released soon.

Mr. Caudron asked what the current purchase price is and what might be required of the Board if income guidelines change.

Mr. Smith replied that the purchase price is currently at \$245,000 and that IFA anticipates using this same procedure annually unless the IRS makes changes.

Ms. Bordwell asked when these changes will become effective.

Mr. Smith stated that they will take effect sometime in March.

**MOTION:**

On a motion by Ms. Bordwell and a second by Mr. Caudron, the Board unanimously approved the resolution for the 2006 purchase price and income limits.

**Resolution Re: MidAmerica Housing Partnership (MAHP)**

Ms. Davis introduced the resolution for MidAmerica Housing Partnership and reminded the Board that it was deferred from the January 11, 2006, Board meeting.

Mr. Craig Johnson introduced MAHP's application for a loan in an amount not to exceed \$1,575,000 with the maturity date not to exceed one year. Payments will be based upon a 30-year amortization, and be secured by first mortgages on MAHP's office building and the Bedford property.

Mr. Doug Wagner, President of MAHP, spoke briefly about MAHP's progress. He said their goal is to achieve 95 percent to 96 percent occupancy. The occupancy rate as of February 7, 2006, was 88.6 percent, and they are estimating that it will go up to 90 percent by mid-February.

Mr. Wright asked if the Board could receive a list of their Board of Directors and a quarterly report that shows how they are moving towards their objectives.

Mr. Mills asked if MAHP's former President Ms. Mary Schoen-Clark is still an officer of MAHP and if she is still available for questions, if needed.

Mr. Wagner stated that Ms. Schoen-Clark is indeed still available for any questions IFA would have.

**MOTION:**

On a motion by Ms. Anderson and a second by Mr. Caudron, the Board unanimously approved the MidAmerica Housing Partnership resolution.

**Resolution Re: Southern Iowa Council of Governments**

Ms. Davis introduced the resolution for Southern Iowa Council of Governments (SICOG) to be certified as a Local Housing Trust Fund. SICOG will provide forgivable and non-forgivable loans directly to low- and moderate-income residents in Adams, Adair, Clarke, Decatur, Madison, Ringgold, Taylor and Union Counties to make improvements to their homes. The other focus will be to fund or partially fund the development of low- and moderate-income housing projects. All disbursements will be in accordance with the grant funding rules established by IFA or other funding sources.

**MOTION:**

On a motion by Mr. Caudron and a second by Mr. Adams, the Board unanimously approved the resolution for Southern Iowa Council of Governments.

**Resolution Re: Homeless Shelter Operations Grants Program (HSOG)**

Mr. Lyle Schwery introduced the resolution for the Homeless Shelter Operations Grants Program that is part of the Homeless Assistance Program (HAP). Combined with funding from the Federal Emergency Shelter Grant Program and IFA, HAP makes awards through a joint application process each year to over 120 organizations. These organizations use the funding for four types of activities such as shelter rehabilitation/renovation, providing essential services such as counselors or case managers, shelter operating expense assistance and homeless prevention activities. An estimated 31,000 people will be assisted through these programs including homeless people currently living on the streets, victims of domestic violence, and people with mental or physical disabilities. In addition, this funding provides over 175,000 free meals to hungry Iowans.

Mr. Wright asked how long the real estate transfer tax has existed.

Mr. Ogle replied that the transfer tax has existed since the 1990's.

Mr. Smith mentioned that rather than the requested \$475,000 coming from IFA's general fund that it would come out of IFA's "available funds".

**MOTION:**

On a motion by Ms. Brown and a second by Mr. Wright, the Board unanimously approved the Homeless Shelter Operations Grants Program resolution.

**TITLE GUARANTY DIVISION (TGD)**

Mr. Ogle referred to the charts included in the Board materials and updated the Board on TGD's upcoming events.

**POLICY / LEGISLATION**

Mr. Dennis Dietz distributed and reviewed an updated Policy and Legislation overview.

**COMMUNICATIONS**

Ms. Shawna Lode referred to the handouts included in the Board materials and updated the Board on upcoming conferences and events, as well as news articles that would appear in the future.

## **MISCELLANEOUS ITEMS**

### **Receive Comments from General Public**

Vice Chair Anderson opened the public comment period and asked if anyone in the audience would like to address the Board.

Mr. Jim Conlin spoke briefly regarding the text of a bill that was submitted to the Ways and Means Committees for both the House and Senate. This bill sets a percentage of actual value at which apartments, mobile home parks, manufactured home communities, land-lease communities and assisted living facilities are to be assessed for property tax purpose.

There being no additional audience members wishing to address the Board, Vice Chair Anderson closed the public comment period.

### **Next Month**

The next regular meeting will be held at 10:45 a.m. on Wednesday, March 1, 2006, at the Iowa Hospital Association, 100 E. Grand Avenue, 1<sup>st</sup> Floor, Des Moines, Iowa.

## **ADJOURNMENT**

There being no further business, on a motion by Mr. Caudron and a second by Mr. Wright, the February 8, 2006, meeting of the IFA Board of Directors adjourned at 1:13 p.m.

Dated this 1st day of March, 2006.

Respectfully submitted:

Approved as to form:

Bret L. Mills  
Executive Director  
Iowa Finance Authority

Vincent Lintz, Chair  
Iowa Finance Authority

